

City of San Antonio *Economic Development Department*

ECONOMIC INCENTIVES



BUSINESS DEVELOPMENT PROGRAMS

AUGUST 2004

DESIGNED BY C.R.DAVIS

City of San Antonio Economic Development Department

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www.sanantonio.gov/edd



CITY OF SAN ANTONIO

ECONOMIC DEVELOPMENT DEPARTMENT

The Economic Development Department (EDD) is responsible for leading the City of San Antonio's economic development activities through policy implementation, strategic planning, and partnerships with key organizations. By using available community resources and incentive programs, the Economic Development Department provides the catalyst for employment-generating investments by the private sector. The Department's tools and strategies have been effective in creating more and better jobs for the community to support future economic development and growth. San Antonio's assets include:

- Pro-business climate
- Available and skilled workforce
- Diversified economic base
- Excellent physical infrastructure
- Superb quality of life
- Strategic geographic location
- Cultural diversity
- Entrepreneurial environment
- Community-wide commitment and collaboration
- Quality educational institutions
- Competitive business incentives

The goal of the City's economic incentives and business development programs is to minimize the cost of expanding or locating a business in San Antonio. San Antonio is culturally diverse, rich in history and full of economic opportunity. The City is focused on providing powerful new resources and incentives to grow the economy in the region, revitalize targeted areas of the City and promote strong, balanced growth throughout the community.

For advice on the suitability of these programs for your project, please contact our office at (210) 207-8080.

Ramiro A. Cavazos, Director
City of San Antonio,
Economic Development Department

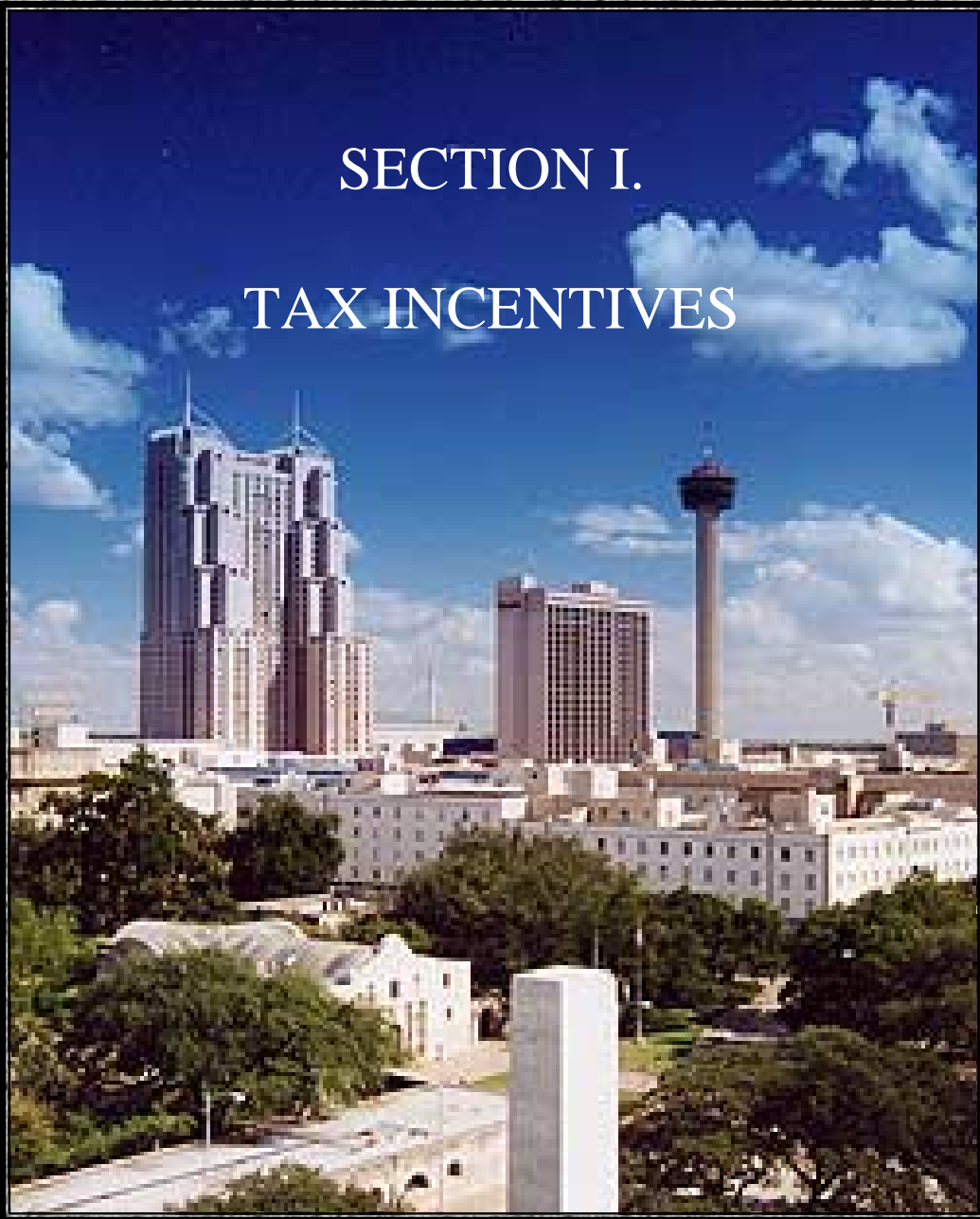
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**BUSINESS & ECONOMIC DEVELOPMENT INCENTIVES
ELIGIBILITY CRITERIA**

INCENTIVE PROGRAMS	AVERAGE NUMBER OF EMPLOYEES			
	Micro Business (less than 20)	Small Business (20 – 99)	Medium Business (100 – 500)	Large Business (500+)
SMALL BUSINESS SERVICES				
South Texas Business Fund	✓	✓	✓	
Small Business Economic Development Advocacy (SBEDA)	✓	✓	✓	✓
Procurement Technical Assistance Center (PTAC)	✓	✓	✓	✓
S/M/W/AA Business Certification	✓	✓	✓	✓
Briefing Team	✓	✓	✓	✓
Start-Up Assistance	✓	✓	✓	✓
TARGETED INVESTMENT AREAS				
State Enterprise Zone	✓	✓	✓	✓
San Antonio Empowerment Zone	✓	✓	✓	✓
Foreign Trade Zone	✓	✓	✓	✓
Defense Economic Readjustment Zone			✓	✓
Historically Underutilized Business Zone	✓	✓	✓	✓
INCENTIVE FUND FOR TARGETED INDUSTRIES				
Economic Development Incentive Fund				✓
Incentive Scorecard	✓	✓	✓	✓
INDUSTRIAL DEVELOPMENT BONDS				
Development Financing Programs		✓	✓	✓
WORKFORCE DEVELOPMENT				
Workforce Assistance (Job Training)	✓	✓	✓	✓
Customized Workforce Training	✓	✓	✓	✓
TAX INCENTIVES				
Tax Abatements		✓	✓	✓
Freeport Exemption	✓	✓	✓	✓

SECTION I. TAX INCENTIVES



For Information Call: (210) 207-8080



or Visit us at www.sanantonio.gov/edd



CITY OF SAN ANTONIO ECONOMIC INCENTIVES



TAX ABATEMENT

The City offers a Tax Abatement of up to 100% on real and/or personal property taxes on improvement values for a maximum term of up to 10 years. Applicants will be required to complete an application and submit an application fee. Individual Tax Abatement applications are subject to final negotiation and approval by City Council.

Program Eligibility Criteria:

Project must meet certain minimum capital investment and/or job creation requirements:

- ☐ A project may be eligible for a tax abatement if the majority of the company's business at the project location is engaged in a Targeted Industry: aviation/aerospace, biotechnology, information technology and security, logistics and distribution, telecommunications, agribusiness, high level business services (excludes outbound and contract call centers), manufacturing, regional headquarters, or Central City mixed-use multi-family housing. A company, not in a targeted industry, may still be eligible for an abatement if the project meets the Exceptional Investment Criteria (Level 3). **Retail Facilities serving local end users are not eligible for a tax abatement.**
- ☐ Companies must create at least 25 new full-time jobs and pay a minimum cash wage of \$8.85/hr to 100% of all permanent, full-time employees at the project site throughout the term of agreement. After one year, 70% of jobs created must also meet a wage standard of \$10.94/hr for Durable Goods Manufacturing and \$10.70/hr for Non-Durable Goods and manufacturing. For small, minority, or women-owned businesses with 100 or fewer employees, the City and County may consider abatements for firms whose wage levels may not meet the Wage Standards.
- ☐ Access to health care benefits for full-time employees and dependents.
- ☐ Individual tax abatement applications are subject to City Council approval and should be submitted at least 30 days prior to the start of construction.
- ☐ Terms of abatement may extend up to 6 or 10 years, depending on the location of the investment (See attached map).
- ☐ Projects over the Edwards Recharge Zone are not eligible for an abatement (See attached map)

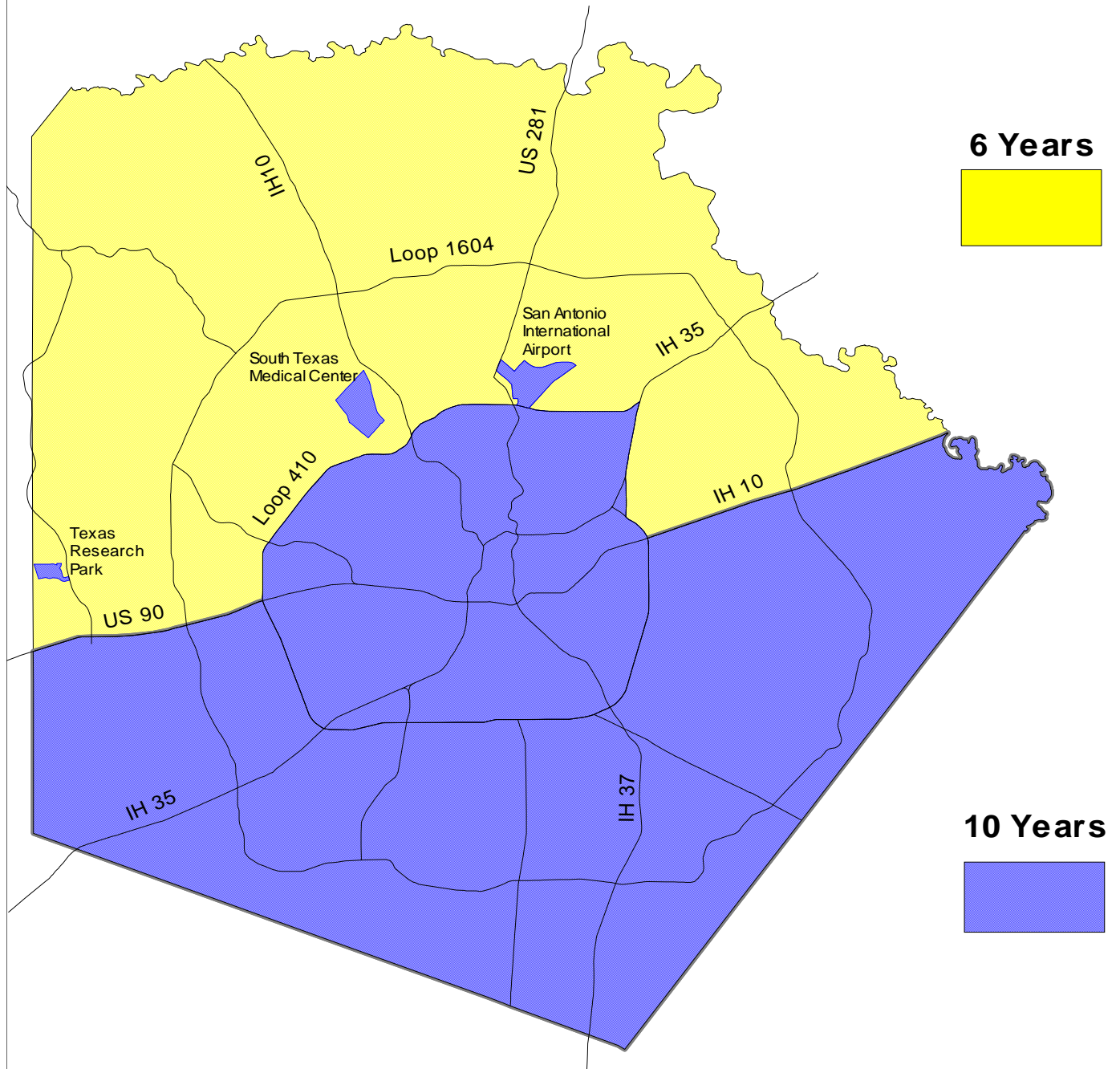
The following matrix outlines the eligibility for the different levels of job creation and capital investment.

CITY/COUNTY GUIDELINES		
Level 1 Project		Threshold Requirements
Real Property Improvements	>\$1 million, OR	Either: Up to 100% on real property improvements (40% County), OR Up to 100% on personal improvements (40% County)
Personal Property Improvements	>\$10 million	
Job Creation	AND 25+ new jobs	
Level 2 Project		Threshold Requirements
Real Property Improvements	Combined \$25 million in either real or personal property improvements	Either: Up to 100% on real property improvements (40% County), AND up to 50% on new personal property improvements (20% County) OR Up to 100% on personal property improvements (40% County), AND up to 50% on new real property improvements (20% County)
Personal Property Improvements		
Job Creation		
	AND 250+ new jobs	
Exceptional Investment		
Level 3 Project		
Real Property Improvements	Combined \$50 million in either real or personal property improvements	Both: Up to 100% on real property improvements, AND (40% County) Up to 100% on personal property improvements (40% County)
Personal Property Improvements		
Job Creation		
	AND 500+ new jobs	

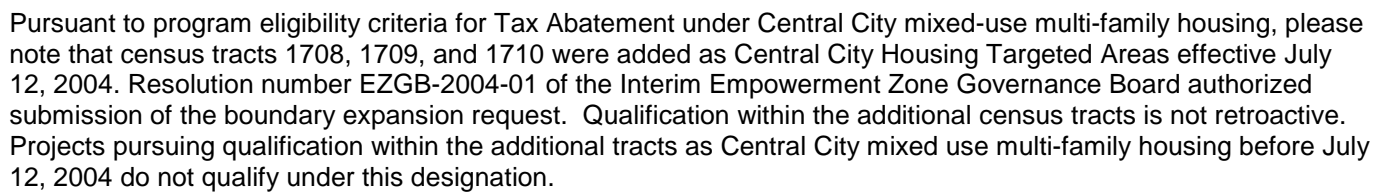
How to Apply:

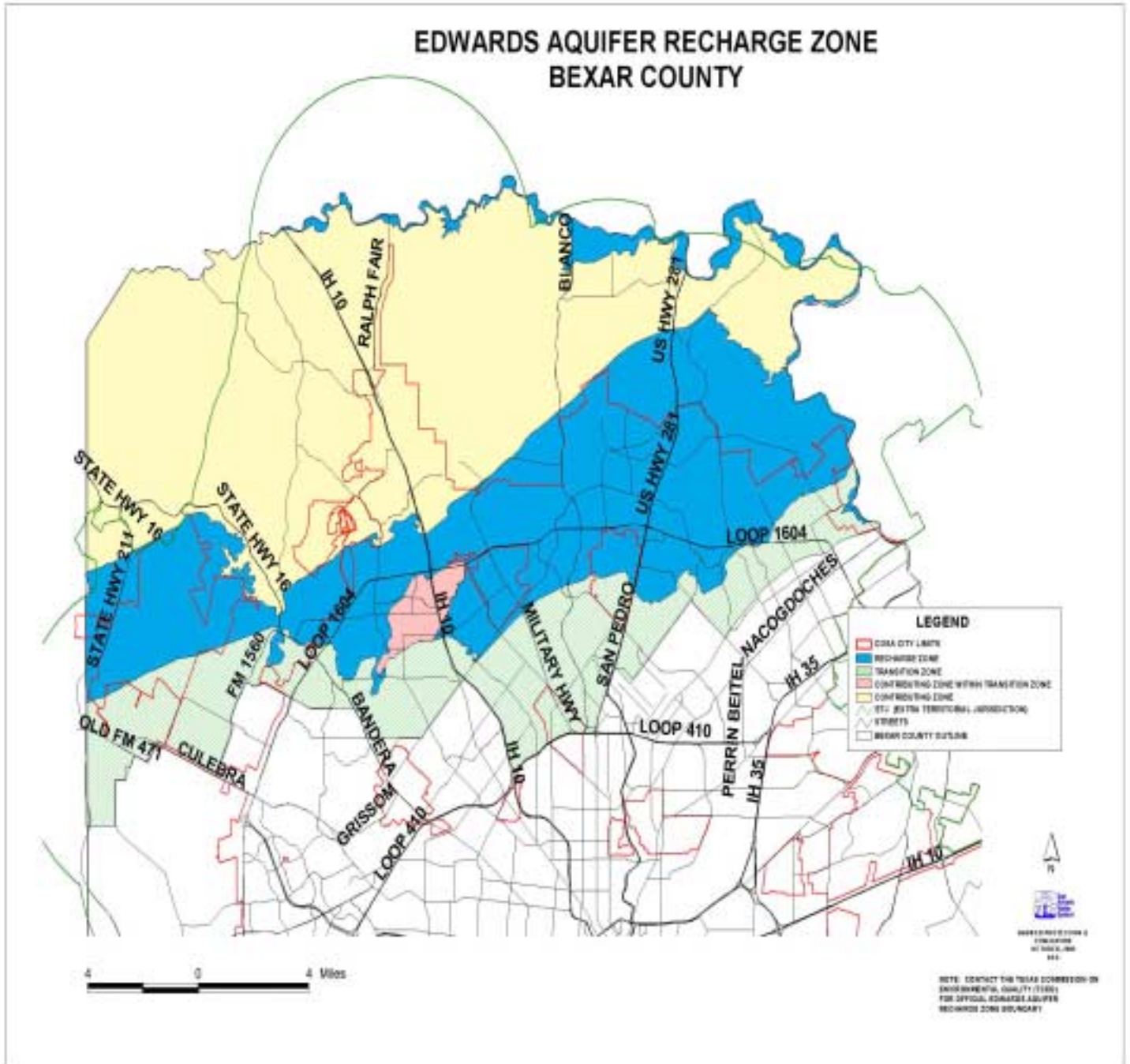
For additional information or to apply, please call 210. 207.8080.

Proposed Tax Phase-In Terms by Targeted Areas



Bexar County Map





Note 1. Projects over the recharge zone are not eligible for an abatement.

Note 2. Projects over the contributing zone will require a super majority approval by City Council.

CITY OF SAN ANTONIO ECONOMIC INCENTIVES



FREEMPOR EXEMPTION

The City of San Antonio, Bexar County and two local City independent school districts (Judson ISD and San Antonio ISD), allow personal property tax exemptions for companies that deal with goods-in-transit or inventories used in the manufacturing process.

A Constitutional Amendment adopted in 1989 by the State of Texas authorized a type of property tax exemption for items classified as "Freeport Property." Freeport property includes various types of goods that are detained in Texas for a short period of time (175 days or less). The exemption provides a business incentive that can be used to promote the growth and expansion of businesses, particularly those engaged in logistics and distribution activities.

- ☐ Freeport property, by definition, includes goods, wares, merchandise, and certain aircraft and aircraft parts.
- ☐ Freeport property does not include oil, natural gas, and other petroleum products.
- ☐ Freeport property qualifies for an exemption from *ad valorem* taxation only if it has been detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabricating.
- ☐ To receive the exemption, eligible inventory must be transported to destinations outside of Texas no later than 175 days after the date acquired or imported into Texas.
- ☐ Types of companies currently receiving Freeport tax exemptions, include: automakers, computer manufacturing, beverage producers, warehousing and distribution facilities, and medical supply companies.

Program Eligibility Criteria:

- ☐ Any company locating within Bexar County, which has goods in transit, is eligible for this incentive. The amount of the exemption increases or decreases depending on location.
- ☐ The goods must be in Texas only for a limited purpose, such as for storage or factory processing.
- ☐ Taxable inventories must be moved outside of the State of Texas within 175 days.

Program's Benefits:

- ☐ Exemption of up to 100% of personal property taxes on goods-in-transit or inventories used in a manufacturing process and the inventory items are moved out of state within 175 days.

How to Apply:

For additional information or to apply, please call the Bexar Appraisal District (BAD), Personal Property Department at (210) 242-2468.

SECTION II.

ON-LINE DEVELOPMENT INCENTIVE APPLICATION



For Information Call: 210-207-8080, or visit www.sanantonio.gov/incentives

SAN ANTONIO

I SCOR CARD

INCENTIVE SCORECARD SYSTEM

On May 29, 2003, City Council adopted a scoring system that permits fee waivers for certain projects achieving a qualifying score during an application process. The **Incentive Scorecard System** was created to facilitate the development process for investors, developers, relocation consultants, and real estate executives. The I-Scorecard is web-enabled whereby developers may apply for incentives offered by or through the City for specific types of development in targeted areas. The new system establishes criteria for administrative approval of incentives for qualifying development projects and serves as an evaluation tool to determine the public benefit of a proposed project.

Program Eligibility Criteria:

The City of San Antonio has authorized the use of incentives to encourage businesses and residential development in specific targeted areas. To be eligible, a proposed project must meet the goals and priorities established by City Council, and other desired development criteria that reflects best practices. Some of these include:

- ☐ New development or redevelopment of property
- ☐ Restoration or rehabilitation of historic/heritage properties
- ☐ Neighborhood and downtown revitalization
- ☐ New business development in targeted industries
- ☐ Affordable and market-rate housing

A variety of incentives are available including: tax incentives, fee incentives, financing, regulatory reductions, and workforce development assistance.

Program's Benefits:

- ☐ Streamlined development incentive award process
- ☐ Reduced application time and money
- ☐ Easy to use tool to guide users through the I-Scorecard Web site
- ☐ Increased customer service and accountability

Currently, the City is only offering fee waivers for: Reductions or Waivers of License Fees for Use of Public Right of Way, of Consideration for Closure of Public Right of Way, of Temporary Street Closure Fee; a Reduction of Barricade Permit Fee (R.O.W. Lane and Sidewalk Closure); Waiver of Preliminary Review Fees; and Waiver or Rebate of Water and Sewer Impact Fee. The City intends to expand and include future incentives as they become available.

How to Apply:

For additional information or to apply, please call (210) 207-6018 or visit www.sanantonio.gov/incentives, respectively.

SECTION III.

TARGETED INVESTMENT AREAS



For Information Call: 210-207-8080 or visit www.sanantonio.gov/edd

CITY OF SAN ANTONIO ECONOMIC INCENTIVES



STATE ENTERPRISE ZONE PROJECT DESIGNATION

Program Description:

An Enterprise Zone is an economic development tool that allows the community to partner with the State to offer a package of local and state tax and regulatory benefits to assist businesses seeking to locate, expand or retain jobs in economically distressed areas. Within the City of San Antonio, all census tract block groups in which at least 20% of the residents have an income at or below 100% of the federal poverty level now qualify as State Enterprise Zone areas. In addition, the area encompassing the City's Federal Empowerment Zone (EZ) qualifies as a State Enterprise Zone (see attached federal EZ map). This area includes three EZ developable sites--KellyUSA, Brooks City-Base and the Fredericksburg Road Business Corridor. By locating within a State EZ, a company is eligible to apply for EZ project designation, subject to approval by City Council and the State of Texas.

Program Eligibility Criteria:

- ☐ Expansion must take place within a State-designated Enterprise Zone.
- ☐ To qualify for these state EZ benefits, 25% of all new hires must be economically disadvantaged or zone residents.
- ☐ If the project is not in the zone, companies may still be designated as EZ projects if 35% of all new hires are economically disadvantaged or zone residents.
- ☐ Project designation must be in place within 90 days of any purchases or new hires to receive benefit from this program.
- ☐ City Council must nominate companies for Enterprise Project designation, and the State must approve Enterprise Project designation.

Program's Benefits:

Designated projects are eligible for state sales and use tax refunds on taxes paid for equipment and machinery, materials used in building a new structure, taxable services, and electricity/natural gas used in zone business operations. Designation projects are also eligible for state franchise tax credits based on job creation and capital investment.

Sales and Use Tax Refunds:

The following investment and sales tax refund thresholds are effective September 1, 2003:

- An investment of \$40,000 - \$399,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$25,000 for the creation or retention of 10 jobs.
- An investment of \$400,000 - \$999,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$62,500 for the creation or retention of 25 jobs.

STATE ENTERPRISE ZONE PROJECT DESIGNATION CONT'D.

- An investment of \$1,000,000 - \$4,999,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$312,500 for the creation or retention of 125 jobs.
 - An investment of \$5,000,000 - \$149,999,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$1,250,000 for the creation or retention of 500 jobs.
 - An investment of \$150,000,000 - \$249,999,999 will result in a refund of up to \$5,000 per job with a maximum refund of \$2,500,000 for the creation or retention of 500 jobs.
 - An investment of \$250,000,000 or more will result in a refund of up to \$7,500 per job with a maximum refund of \$3,750,000 for the creation or retention of 500 jobs.
- ❑ On taxes paid for labor to remodel, rehabilitate, or construct a structure, purchase of building materials, machinery/equipment, electricity and natural gas purchased and consumed in the normal course of business in the enterprise zone. Refunds may also be made on tangible personal property and taxable services.

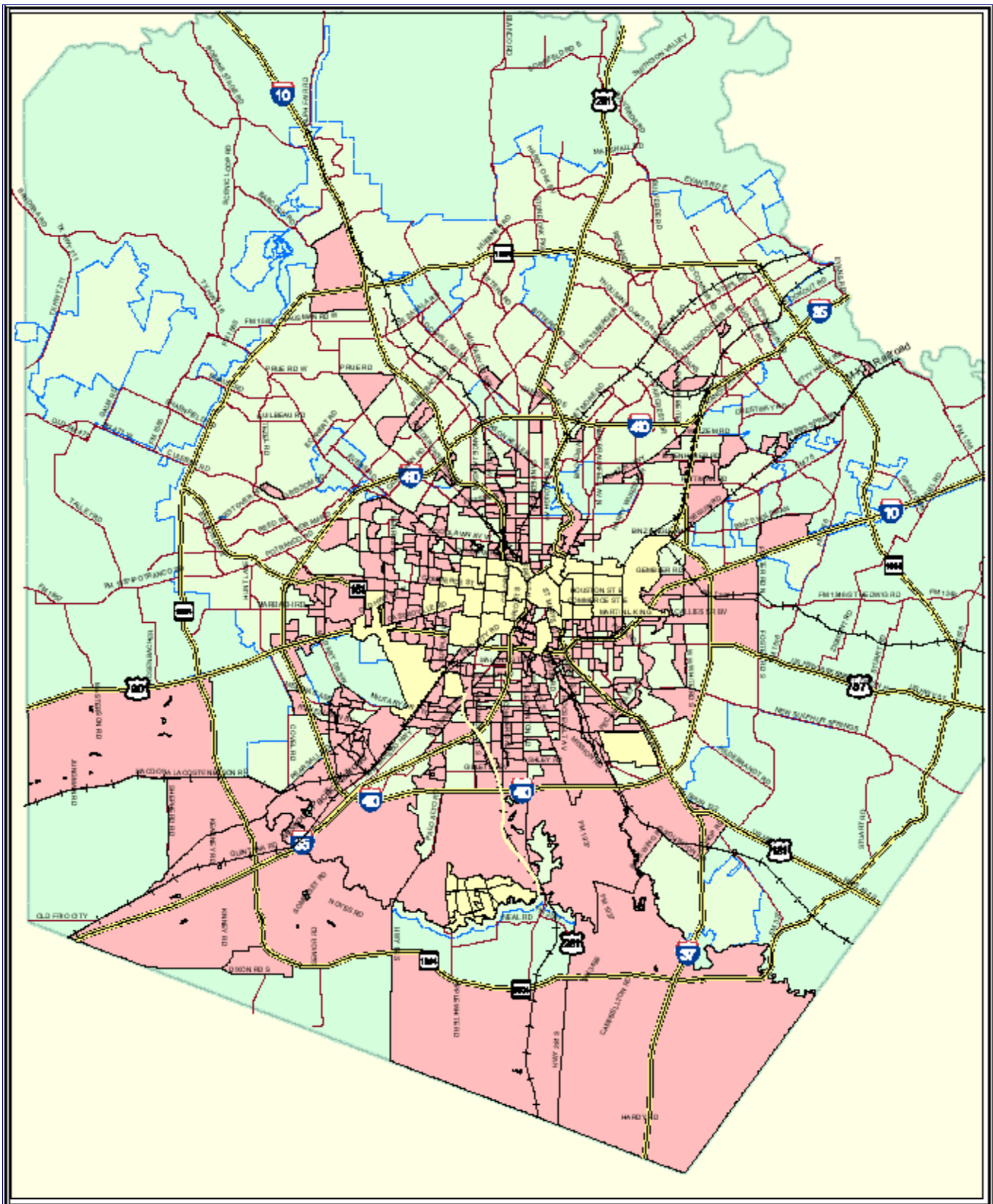
Franchise Tax Credits:

A business is taxed by the State of Texas on net capital assets (0.25%), or on net earned surplus (4.5%). Companies pay the greater of the tax on net taxable capital or net taxable earned surplus. An Enterprise Project may claim a franchise tax credit for job creation and capital investment. Such credits must be taken in five equal installments over five consecutive reporting periods, and the total credit for a reporting period is limited to 50% of the franchise tax due. The available franchise tax credits are:

- ❑ Equal to 25% of the total wages and salaries paid by the corporation for a minimum of 10 qualifying jobs during the period upon which the tax is based.
- ❑ Equal to 7.5% of the qualified capital investment (minimum \$500,000) during the period upon which the tax is based.

How to Apply:

For additional information, or to apply, please call (210) 207-8080.



Map Created by: Ruben A. Devila
Map Creation Date: August 5, 2004
Map file location: C:\EconDev\Empowerment_Zona_ArcGIS_Files
PDF file name: Enterprise_Zona_Census_Tracts

Texas Enterprise Zone Eligible Areas

- Block Groups with > 20% Poverty Rate
 Federal Empowerment Zone Areas

[illegible]

City of San Antonio
Economic Development Department
Rafael A. Carrasco

City Hall
900 Military Plaza-4th Flr
San Antonio, Texas 78205



CITY OF SAN ANTONIO ECONOMIC INCENTIVES



SAN ANTONIO EMPOWERMENT ZONE

Program Description: (See attached map)

San Antonio was one of eight cities throughout the country named a Round III Empowerment Zone (EZ) by the U.S. Department of Housing and Urban Development. This designation will allow businesses to receive wage credits, tax incentives, and bond financing to help stimulate job growth, promote economic development and create affordable housing opportunities in targeted areas of the City. In addition, EZ designation provides the City priority in funding health, education, and human services which will give a tremendous boost to commercial and neighborhood revitalization efforts.

Program Eligibility Criteria:

To be eligible for EZ program benefits a business must locate in the EZ and meet certain minimum capital investment and/or job creation requirements:

Wage and Other Credits:

- ❑ A business must be located in a federal "empowerment zone" and hire/retain workers who live and work within the zone in order to receive an **Employment Zone Wage Credit**. (Workers can be full-time or part-time with a substantial portion of work performed within the zone as part of the trade business).
- ❑ A business must hire persons from certain disadvantaged groups with high unemployment rate (including urban youths, government assistance recipients, ex-convicts, disadvantaged Vietnam vets, and vocational rehabilitation referrals) in order to obtain a **Work Opportunity Tax Credit**.
- ❑ Employers must hire qualified long-term family assistance (AFDC or its successor program) recipients in order to qualify for the **Welfare-To-Work Tax Credit**.

Tax Incentives:

- ❑ In order to obtain a low interest loan financed through federal EZ Bonds, the borrower must be located in an Empowerment Zone or Enterprise Zone, and property financed by the loan must be a "qualified zone property". The per borrower limit and bonds are not subject to the State's volume cap.
- ❑ For EZ or EC businesses, 35% of employees must be from the EZ or EC area.
- ❑ In order to obtain partial exclusion for gain on sale of empowerment zone stock, an EZ business must be in an Empowerment Zone.

Program's Benefits:

- ❑ **Employment Zone Wage Credit** is a credit against Federal taxes, and can be as much as \$3,000 (20% of the first \$15,000) per employee per year.
- ❑ The **Work Opportunity Tax Credit** is for 40% of the first \$6,000 of each worker's first year wages (\$2,400 maximum credit) provided 400 or more hours are worked. If less than 400 hours, but at least 120 hours are worked, the wage percentage drops to 25%, for a maximum of \$1,500.
- ❑ A maximum credit of 35% or \$1,050 is eligible for summer youth employees with wages of up to \$3,000 during a 90-day period.
- ❑ **Welfare to Work Credit** is equal to 35% for wages up to \$10,000 in the first year, and up to 50% for wages up to \$10,000 in the second year of employment, for a two-year maximum credit of \$8,500 per employee.

SAN ANTONIO EMPOWERMENT ZONE Con'd.

Tax Incentives:

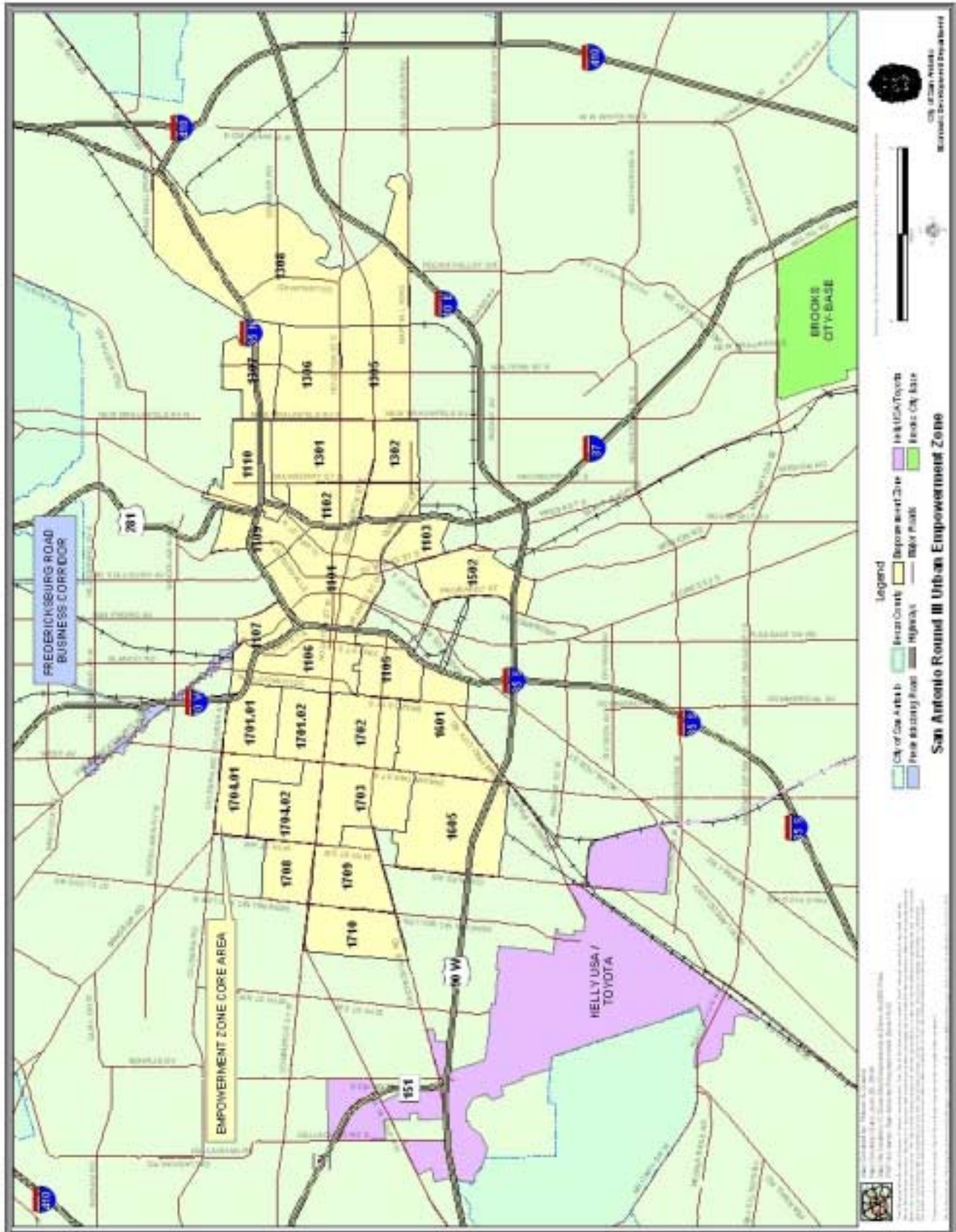
- ❑ Interest income received by investors from EZ bonds are exempt from federal income tax (usually exempt from state and local taxes as well).
- ❑ An EZ business may deduct in-zone personal property costs in the year of service for up to \$35,000 a year on purchases of equipment for in-zone use.
- ❑ Capital gain on EZ assets (stock, partnership interests, and EZ business property located in an empowerment zone) held for more than one year is not recognized (and rolled over) if replacement assets are acquired within 60 days.
- ❑ A "C" Corporation EZ business located in an Empowerment Zone can exclude 60% of the gain on sale of small business stock, if the stock is held for at least five years (Stock must be acquired after December 31, 2000 and before January 1, 2010, at original issuance in exchange for cash--does not apply after December 31, 2014).
- ❑ The San Antonio Empowerment Zone can be used in concert with a number of Tax Increment Reinvestment Zones (TIRZ), and Neighborhood Commercial Reinvestment (NCR) areas.

Designated Areas:

The basic designated area of the San Antonio EZ is bordered by the MK&T Railroad Tracks on the East, Florida Street on the South, Calle Romero on the West and Culebra Road on the North. It also includes three primary Developable Sites which are: (1) the KellyUSA and Brooks Technology and Business Park Developable Site located in the southern sector of San Antonio connected by Military Drive commercial corridor; (2) the Fredericksburg Road Commercial Corridor; and (3) the I-10/I-35 Commercial and Industrial Corridor.

How to Apply:

For additional information on how to apply for EZ benefits, please call the City's Economic Development Department at (210) 207-8080.



CITY OF SAN ANTONIO ECONOMIC INCENTIVES



FOREIGN TRADE ZONE (FTZ)

Program Description: (See attached map)

San Antonio is home to Foreign Trade Zone No. 80 with the designation of ten General Purpose Sites and four SubZones. Businesses can locate at existing sites or apply for designation as a new FTZ SubZone to take advantage of the incentives offered within an FTZ to include: (1) relief from inverted tariffs; (2) duty exemption on re-exports; (3) duty elimination on waste, scrap, and yield loss; and (4) duty deferral until merchandise is imported from the FTZ into the United States. FTZs, therefore, offer businesses a way to mitigate the costs of free trade and allow the United States economy to enjoy relatively greater benefits from its free trade initiatives. Furthermore, FTZs allow commercial merchandise to receive the same customs treatment it would if it were outside the commerce of the United States.

If your company is importing and/or exporting goods or materials, FTZs can significantly cut business costs and improve return-on-investment and cash flow. Domestic and foreign goods can be placed in the FTZ without formal U.S. Customs entry and pay no customs duties or government excise taxes until your final product enters the U.S. market at which point duty is paid on either of the product itself or its component parts, whichever is lower.

Merchandise admitted into the FTZ can be:

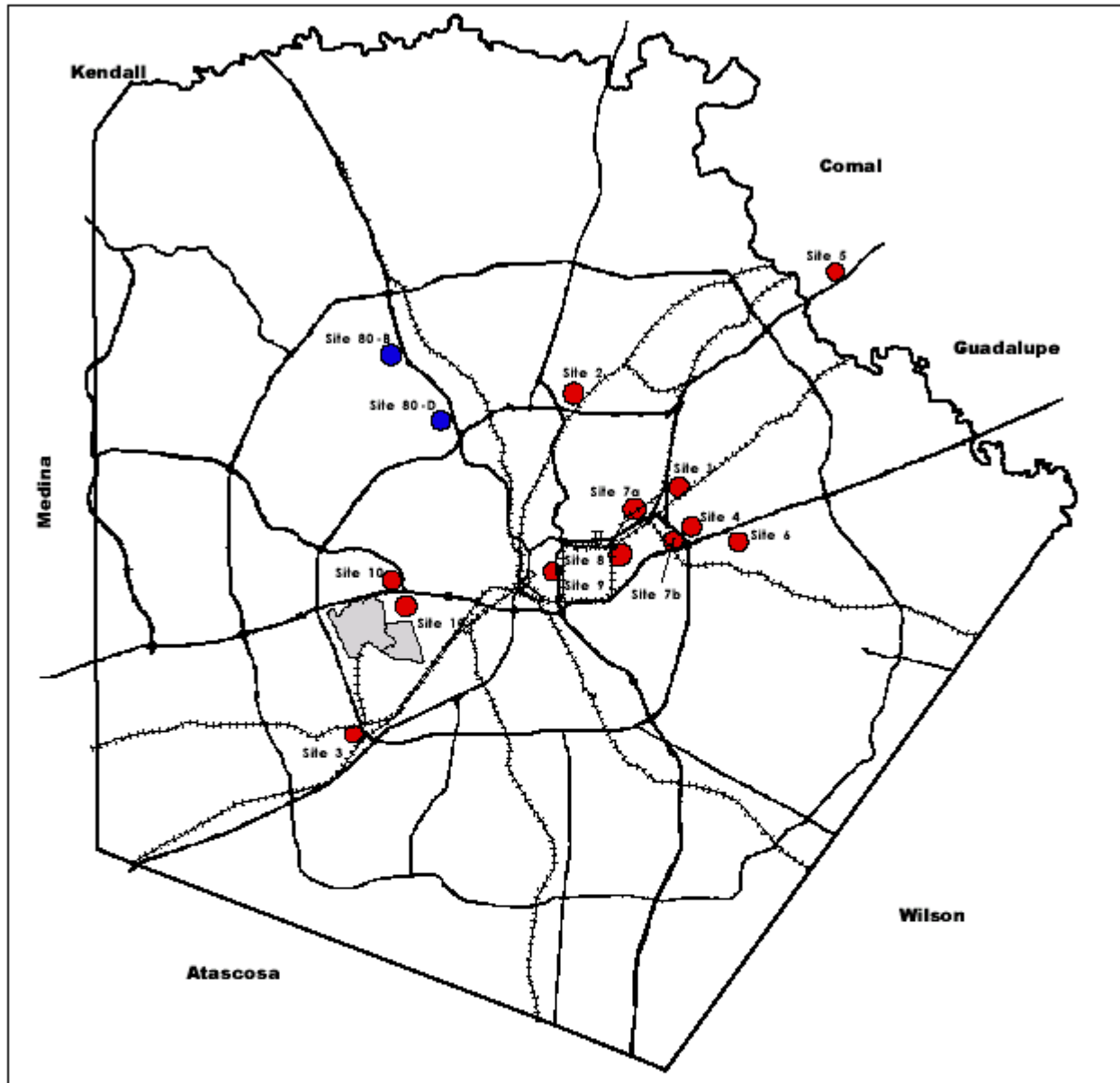
- | | |
|----------------|--------------|
| ■ Stored | ■ Exhibited |
| ■ Assembled | ■ Repaired |
| ■ Manufactured | ■ Sampled |
| ■ Salvaged | ■ Relabeled |
| ■ Mixed | ■ Repackaged |
| ■ Processed | ■ Tested |
| ■ Manipulated | ■ Destroyed |

Program Eligibility Criteria:

- ❑ To receive FTZ benefits, a company must locate within any of the City's existing ten General Purpose FTZ sites. If our General Purpose sites do not suit your company's needs, the Economic Development Department will help your facility obtain FTZ sub-zone designation (See attached FTZ map).

How to Apply:

- ❑ For additional information or to apply, please contact Ms. Nancy Sheppard, Sr. Economic Development Specialist, City of San Antonio, or Sara S. Sanchez, International Trade Development Director, Free Trade Alliance San Antonio at (210) 207-8204 and 229-9036, respectively. Forthcoming FTZ site: www.saftz.com.



Prepared by the City of San Antonio
Planning Department
Date: 08/02/01
Source: Economic Development Department

Foreign Trade Zone No. 80



● GENERAL PURPOSE SITES

- Site 1: San Antonio Distribution Center
- Site 2: San Antonio International Airport Cargo Facilities
- Site 3: Freeport Business Centre
- Site 4: Cornerstone Business & Industrial Park
- Site 5: Tri-County Business & Industrial Park
- Site 6: Foster Ridge Industrial Park
- Site 7a: Binz-Engelmann Center
- Site 7b: City Park East Business Park
- Site 8: Coliseum Distribution Center
- Site 9: Convention Center & Alamodome
- Site 10: Kelly USA

● SUBZONES

- Site 80-B: Colin Medical Instruments Corporation
- Site 80-D: R.G. Barry Corporation

CITY OF SAN ANTONIO ECONOMIC INCENTIVES



DEFENSE ECONOMIC READJUSTMENT ZONE PROJECT DESIGNATION

Program Description: **(See attached map)**

The City of San Antonio currently administers state-designated Defense Economic Readjustment Zones. This program is a state initiative to assist communities that have been adversely impacted by Department of Defense downsizing. Companies locating within a Zone are eligible for designation by the State as a Defense Readjustment Project.

Program Eligibility Criteria:

- ☐ Expansion must take place within a State-designated Zone.
- ☐ Twenty-five percent (25%) of all new hires must be San Antonio residents, economically disadvantaged individuals, or dislocated defense workers.
- ☐ Project designation must be in place within 90 days of any purchases or new hires to receive benefits.
- ☐ Defense Readjustment Project nomination must be approved by City Council and the State of Texas.

Program's Benefits:

Designated projects are eligible for State sales & use tax refunds and franchise tax credits based on job creation and capital investment.

Sales and Use Tax Refunds

- ☐ Refund based on \$2,500 per employee for each permanent job up to 500 jobs, created or retained during the five-year designation period. Each project is limited to a maximum refund of \$1.25 million or \$250,000 per year over the five-year period.
- ☐ On taxes paid for labor to remodel, rehabilitate, or construct a structure, purchase of building materials, machinery/equipment, electricity and natural gas purchased and consumed in the normal course of business and taxable services in the defense economic readjustment zone.

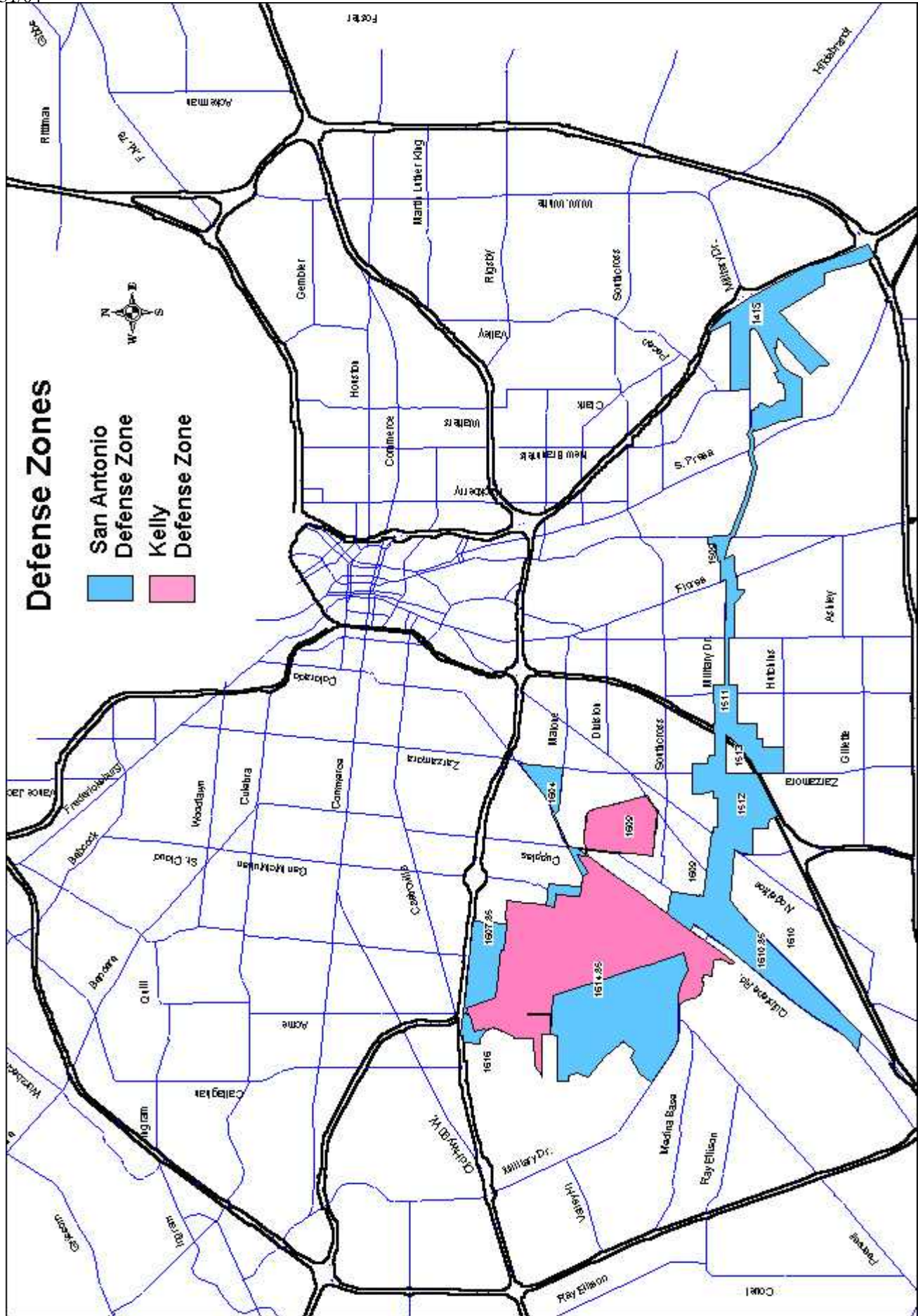
Franchise Tax Credits - A business is taxed by the State of Texas on net capital assets (0.25%), or on net earned surplus (4.5%). Companies pay the greater of these two. Franchise Tax Credits Equal to:

- ☐ 25% of the total wages and salaries paid by the corporation for a minimum of 10 qualifying jobs during the period upon which the tax is based. The total credit may not exceed 50 percent of the amount of franchise tax due prior to any other applicable tax credits.
- ☐ 7.5% of the qualified capital investment (minimum \$500,000) during the period upon which the tax is based.

Receipts from services performed in a Readjustment Zone can also be excluded in the determination of gross receipts from business done in the state under Sections 171.103 and 171.1032 of the Texas Tax Code.

How to Apply:

For further information or to apply, please call Mr. Ed Davis, Industry Development Manager, at (210) 207-8080.



CITY OF SAN ANTONIO ECONOMIC INCENTIVES



HUBZONE EMPOWERMENT CONTRACTING PROGRAM

Program Description:

The purpose of the HUBZone Program is to:

- ☐ provide federal contracting assistance for qualified small businesses that are located in "historically underutilized business zones";
- ☐ increase employment opportunities; and
- ☐ stimulate capital investment in those geographic areas; and empower communities through economic leveraging and the "multiplier effect."

Program Eligibility Criteria:

There are certain requirements that must be met by a small business in order to qualify for HUBZone designation:

- ☐ The business must be registered as a small business as per U.S. Small Business Administration (SBA) standards.
- ☐ The business must be owned and controlled by U.S. citizens.
- ☐ The principal place of business should be located in a HUBZone.
- ☐ At least 35% of the business' employees must reside in a HUBZone.

Program's Benefits:

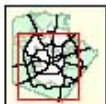
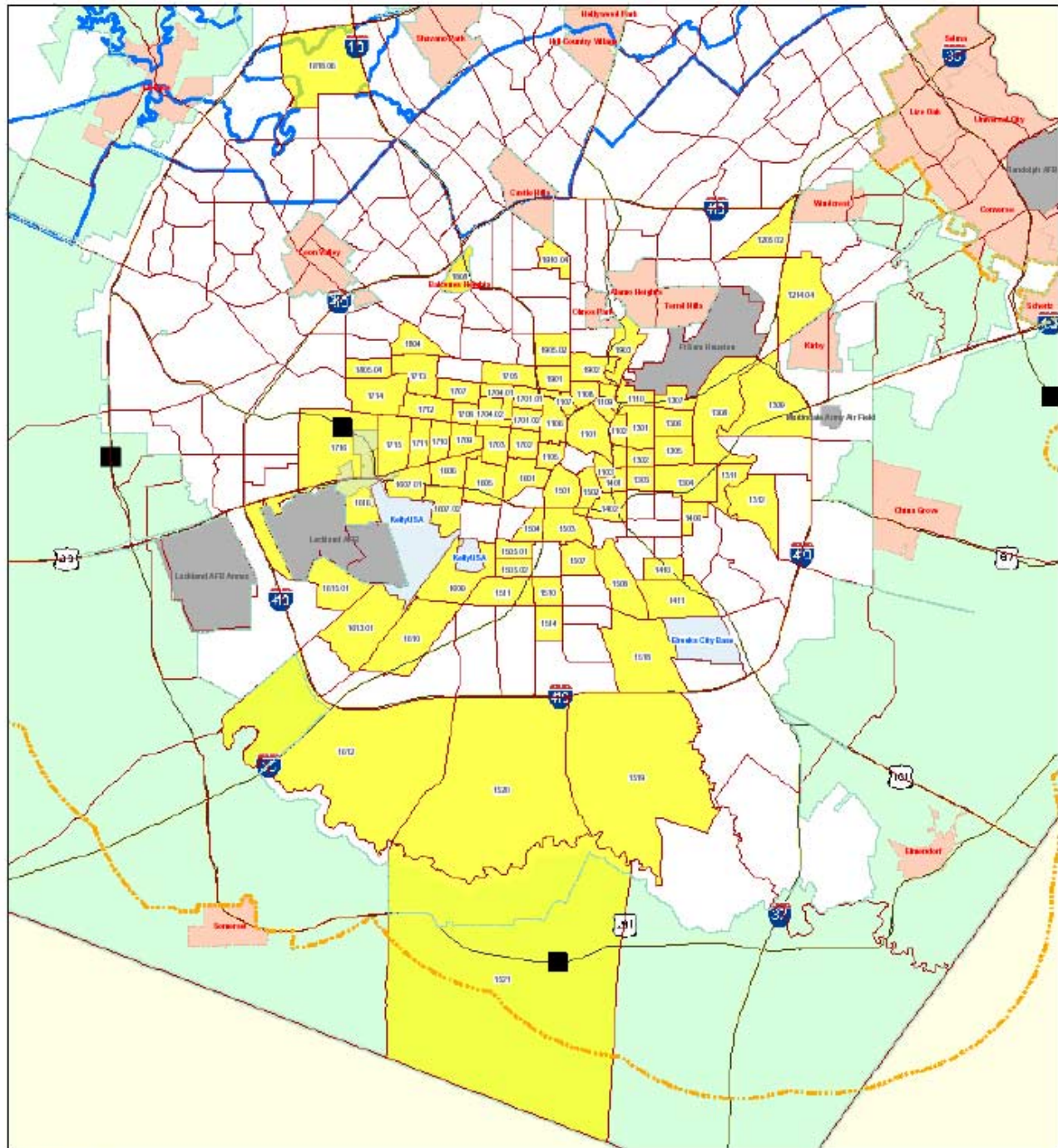
The United States Air Force Outreach Program Office provides public awareness, support, and contracting opportunities for qualified HUBZone businesses through its local contracting offices. Qualifying businesses may earn:

- ☐ Awards that have been set aside for companies located in HUBZone areas.
- ☐ Sole source awards for specialized companies.
- ☐ Awards through full and open competition for any business within or outside a HUBZone area.

How to Apply:

For additional information please visit the HUBZone Web site at <https://eweb1.sba.gov/hubzone/internet/> or call (210) 207-3900. To find out if an area is qualified in the HUBZone, please visit the automated system at <http://map.sba.gov/hubzone/hzqry.asp?state=TX>.

Qualified HUBZone Census Tracts



Map created by City of San Antonio Planning Department
 Date: 08/31/04
 Map Scale: 1 inch = 1 mile
 Map Projection: NAD 83 UTM Zone 16N
 Map Author: City of San Antonio Planning Department
 Map Contact: City of San Antonio Planning Department
 Map Contact: City of San Antonio Planning Department

Legend

- | | |
|--------------------------------|--------------------|
| City of San Antonio | Bexar County |
| San Antonio ETJ | Brooks City Base |
| Cities and Towns | KellyUSA |
| Edwards Aquifer Zoning Overlay | Qualified HUBZones |



SECTION IV.

INCENTIVE FUND FOR TARGETED INDUSTRIES



For Information Call: 210-207-8080 www.sanantonio.gov/edd

CITY OF SAN ANTONIO ECONOMIC INCENTIVES



CITY OF SAN ANTONIO ECONOMIC DEVELOPMENT INCENTIVE FUND

Program Description:

The purpose of the Economic Development Incentive Fund (EDIF) is to fund public improvements or customized training that is offered as part of a larger package of incentives to attract, and/or retain, high impact companies or government agencies that are part of, or support, the City's Targeted Industries. The funds may also be used to match and leverage private, state, or federal grants intended to achieve this goal. In FY2004, City Council appropriated \$12 million for this fund.

Program Eligibility Criteria:

FORTHCOMING

How to Apply:

For further information or to apply, please call (210) 207-8080.

SECTION V.

INDUSTRIAL DEVELOPMENT BONDS



For Information Call: 210-207-8080 or visit www.sanantonio.gov/edd

CITY OF SAN ANTONIO ECONOMIC INCENTIVES



DEVELOPMENT FINANCING PROGRAMS

The City of San Antonio has created non-profit corporations for the purpose of financing certain types of development through bonds, or loans. The **Industrial Development Authority (IDA)** can issue taxable and tax-exempt bonds to acquire land and construct industrial or manufacturing facilities with a development cost under \$10 million. The **Health Facilities Development Corporation (HFDC)** can issue tax-exempt bonds for non-profit organizations toward the development of health care facilities. The **Education Facilities Corporation (EFC)** may issue tax-exempt bonds for capital improvements at institutions of higher education, as well as accredited schools, providing primary and/or secondary education services.

Bond financing may permit borrowers to finance an entire project, including equipment. The feasibility of a prospective bond financing will be largely determined by the financial strength of the borrower and the credit worthiness of a transaction. Industrial Development Revenue Bonds may be subject to an annual state allocation. In conjunction with legal counsel specializing in such transactions, we will work a prospective borrower and their underwriters, advisors, and legal counsel to structure a feasible bond issue.

Borrowers must pay two fees to these conduit bond corporations: (1) an application fee of \$2,500 and (2) an issuance fee of \$20,000 at closing.

In addition to conduit financing, the South Texas Business Fund (STBF) has always recognized the diversity of small businesses and their needs (See page 28). They offer loan products that range from \$15,000 to \$4 million, with longer terms and competitive fixed rates. They work closely with the U.S. Small Business Administration (SBA), the U.S. Economic Development Administration (EDA), the U.S. Department of Housing and Urban Development (HUD), and area banks in offering various loan programs to their customers.

How to Apply:

For more information on bonds and loans, please contact the Economic Development Department at (210) 207-8080 or (210) 207-3932, respectively.



Section VI.

SMALL BUSINESS SERVICES

Programs under this section are located in the Development and Business Services Center
1901 S. Alamo, San Antonio, Texas 78204 (See attached map on p. 33)
Visit EDD's Web site at www.sanantonio.gov/edd



South Texas Business Fund, (210) 207-3932 or 1-800-557-2532. The South Texas Business Fund was formed in 1978 to help communities grow economically stronger through outreach, financing programs, technical assistance and training. To date, it has loaned more than \$275 million and created nearly 13,000 jobs.

STBF Loan Programs:

- ☐ Small Business Administration, SBA, 504 Loan Program
 - \$50,000 to over \$1 million
 - Loans for businesses within the state of Texas
- ☐ Small Business Administration Microloan Program
 - \$15,000 to 35,000
 - Loans for businesses within the state of Texas
- ☐ Economic Development Administration, EDA Revolving Loan Fund
 - \$15,000 to \$200,000
 - Provides working capital at fixed rates
 - Loans for businesses within the San Antonio city limits
- ☐ U.S. Housing & Urban Development Administration (HUD)
 - \$15,000 to \$50,000
 - Loans for small businesses located in the San Antonio HUD Enterprise Community.
- ☐ Inner City Loan Fund
 - Provides loans to small businesses located inside Loop 1604
- ☐ The Bill Sinkin Microloan Fund
 - \$1,000 to \$25,000
 - Fund provides microloans to women and minority businesses within San Antonio

Program Eligibility Criteria:

- ☐ Owner operated
- ☐ For Profit

May Use Loan Proceeds For:

- ☐ Real estate acquisition, improvement, or new construction of commercial or industrial facility
- ☐ Purchase machinery and equipment
- ☐ Related soft costs, such as appraisal, engineering and environmental fees
- ☐ Working capital

How To Apply:

For additional information or to apply, please call (210) 207-3932, or 1 (800) 577-2532, or visit our web site at www.sotexbizfund.com.

CITY OF SAN ANTONIO BUSINESS DEVELOPMENT PROGRAMS



SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY PROGRAM (SBEDA)

The Small Business Economic Development Advocacy Program (SBEDA) mission is to help small, minority, African-American, and women-owned business enterprises (SBE/MBE/AABE/WBE) pursue and obtain City contracts.

Program Eligibility Criteria:

Sole proprietorships, partnerships, or corporations that are owned, operated and controlled by a minority group member(s) or a female(s). The enterprise must have at least 51% ownership by one of the groups listed below:

- ☐ Hispanic-American, African-American, Asian Pacific-American, American Indian, Asian, Indian-American, Disabled Individual or Women
- ☐ Citizens of the United States or its territories

Program's Benefits:

- ☐ 24-Hour bid line listing up-to-the-minute City contracting opportunities: (210) 207-7920
- ☐ Assistance in bidding on government contracts
- ☐ Bid board listing contracting opportunities from City, other government agencies and prime contractors
- ☐ Monthly contracting bulletin
- ☐ Quarterly newsletter providing valuable information on issues concerning small businesses and client success stories
- ☐ Access to construction plan review room in which specifications and plans for all City Public Works construction projects are displayed
- ☐ Assistance in completing forms required by the City's SBEDA policy
- ☐ Referral to the South Central Texas Regional Certification Agency (SCTRCA) for certification of small, minority, African-American, and women-owned businesses
- ☐ Assistance in completing the SCTRCA's Certification Affidavit
- ☐ Listing in the SBE/MBE/AABE/WBE directory and computerized SBE/MBE/AABE/WBE database which are used by prime contractors and City contracting officials

How to Apply:

For additional information or to apply, please call (210) 207-3900 or visit our Web site at www.sanantonio.gov/edd. SBEDA is located in the Development and Business Services Center at 1901 S. Alamo, San Antonio, Texas 78204.

CITY OF SAN ANTONIO BUSINESS DEVELOPMENT PROGRAMS



PROCUREMENT TECHNICAL ASSISTANCE CENTER (PTAC)

The Procurement Technical Assistance Center (PTAC) provides a variety of tools and services that help local businesses identify government contracting opportunities, develop a workable business plan, sharpen marketing skills and write winning bid proposals. Altogether, PTAC clients receive about \$30 million in government contracts each year.

Program Eligibility Criteria:

Established businesses located in San Antonio or the 12-county Alamo Service Delivery Area (Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kerr, Kendall, Medina, and Wilson) and selective contiguous areas.

Program's Benefits:

- ☐ Access to up-to-the-minute bid listings from a variety of government entities
- ☐ Access to bid board with current federal, state and local opportunities
- ☐ Bid matching for prime contracting and subcontracting opportunities
- ☐ Electronic Data Interchange
- ☐ Assistance with pricing for bid preparation
- ☐ Identification of contacts, including buyers, purchasing agents, and contracting personnel
- ☐ Training workshops and seminars
- ☐ Technical library

How to Apply:

For additional information or to apply, please call (210) 207-3900 or visit our Web site at www.sanantonio.gov/edd. PTAC is located in the Development and Business Services Center at 1901 S. Alamo, San Antonio, Texas 78204.

CITY OF SAN ANTONIO BUSINESS DEVELOPMENT PROGRAMS



FIRST POINT BUSINESS INFORMATION OFFICE

The First Point Business Information Office is the first place to go if you are in the planning stages of starting or expanding a business. First Point can also guide you through the site development and regulatory processes.

Program Eligibility Criteria:

Any business owner or potential business owner that wants to conduct business in San Antonio.

Program's Benefits:

- ☐ A customized guide to starting your business in San Antonio
- ☐ Staff coordination with City Departments through the site development process
- ☐ Access to a business library containing over 150 books on how to operate different types of businesses
- ☐ Business workshops and seminars
- ☐ Pre-business counseling
- ☐ Access to computers
- ☐ Technical assistance for business and marketing plan preparation
- ☐ Referrals and networking with other business assistance agencies
- ☐ Trouble-shoots regulatory issues for clients requiring assistance
- ☐ Community outreach of various business assistance programs
- ☐ Free, semi-weekly counseling service sponsored by the Service Corps of Retired Executives (SCORE)

How to Apply:

For additional information or to apply, please call (210) 207-3900 or visit our Web site at www.sanantonio.gov/edd. The First Point Office is located in the Development and Business Services Center at 1901 S. Alamo, San Antonio, Texas 78204.

CITY OF SAN ANTONIO BUSINESS DEVELOPMENT PROGRAMS



ECONOMIC DEVELOPMENT BRIEFING TEAM

The City of San Antonio, together with various public service utility companies, formed the San Antonio Site Development Briefing Team to provide an overview of the site development process. This team facilitates the process by serving as the direct, immediate line to key decision-makers that can troubleshoot and resolve problems encountered in the development and permitting process, such as issues related to local subdivision, uniform building, and the uniform fire codes.

Program Eligibility Criteria:

Available to businesses locating within the City of San Antonio.

Program's Benefits:

The team describes the development process, identifies applicable codes and regulations, clarifies code requirements and may comment on conceptual plans or Master Development Plans. This courtesy briefing and conceptual plans review does not replace the Preliminary Plans Service process or the regular Subdivision and Construction processes.

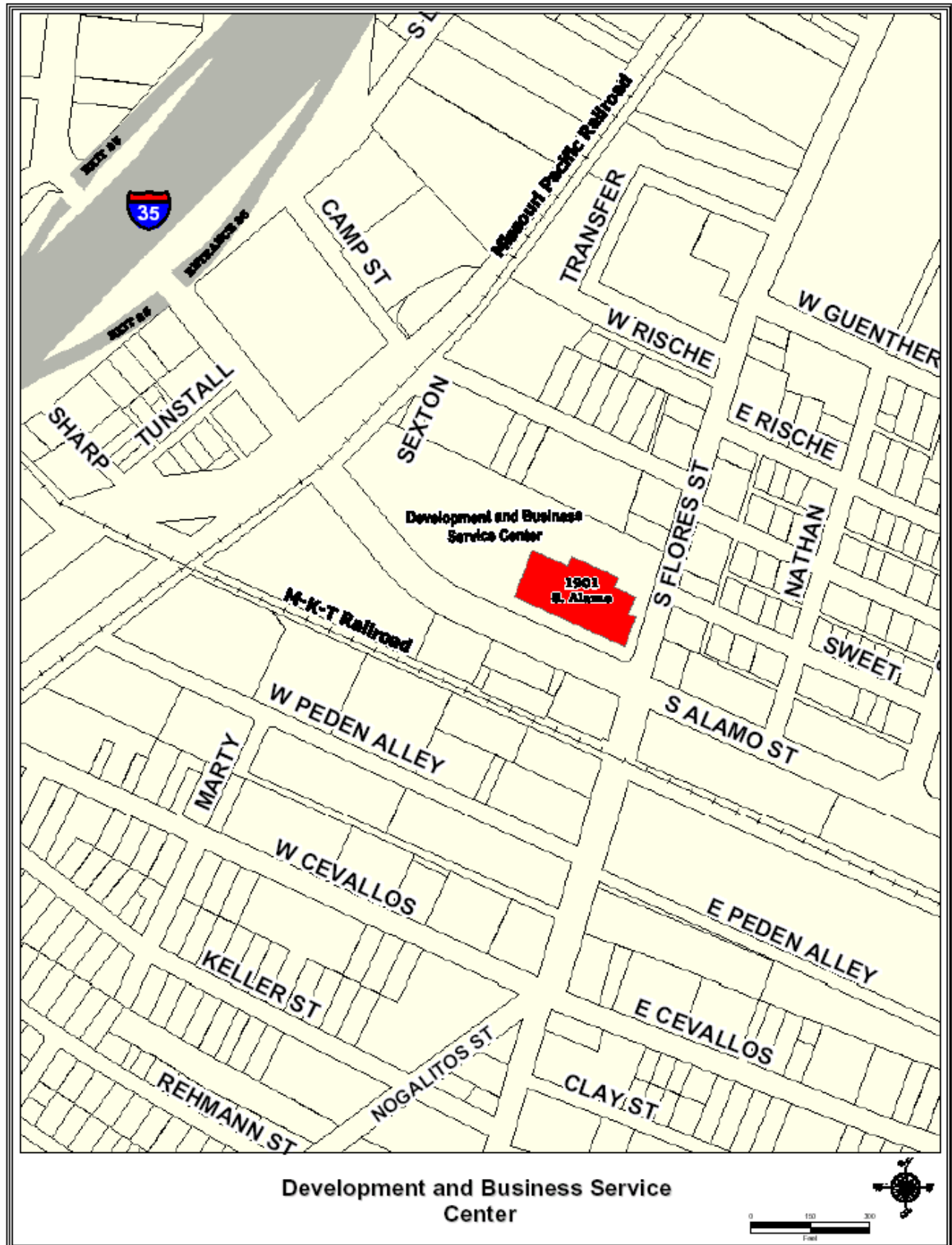
The briefings are tailored to the scope of the development, and may require the participation of the following entities:

■ Development Services Department	■ San Antonio Water Systems (water)
■ Public Works Department	■ Police Department
■ City Public Service (electric/gas)	■ Health Department
■ Texas Commission on Environmental Quality	■ Other City Departments as necessary

Businesses requesting Briefing Team services will submit a Data For Briefing Team Evaluation form available at the First Point Business Information Office. A seven (7) day notice is requested.

How to Apply:

For additional information or to apply, please call (210) 207-3900 or visit our Web site at www.sanantonio.gov/edd. The Briefing Team is located in the Development and Business Services Center at 1901 S. Alamo, San Antonio, Texas 78204.



Section VII.

WORKFORCE DEVELOPMENT



For Information Call: 210-207-8080 www.sanantonio.gov/edd

CITY OF SAN ANTONIO BUSINESS DEVELOPMENT PROGRAMS



INDUSTRY WORKFORCE ASSISTANCE

Industry Training

According to recent surveys of American corporations, a trained and ready workforce is one of the most essential assets a community can offer to businesses. Increasingly, these workers must have significant skills and education in order to meet the needs of employers in aerospace, biotechnology, or other industries. Recognizing the critical link between education and good paying jobs, the Alamo Community College District (ACCD), many local universities, the Alamo Workforce Development and Project Quest are committed to creating and promoting advanced education and training standards that will provide workers who meet the needs of growth industries.

The **Alamo Community College District (ACCD)** conducts a variety of vocational training programs at its St. Philips College-Southwest Campus, located at 800 Quintana Road (East KellyUSA). These workforce programs target a variety of students, from high school youth preparing for a competitive future career to retraining existing work force participants to keep them competitive in their vocation, and make them a viable resource for local industry employers. Vocational training aids the development of specific personnel job skills and aptitudes to meet the needs of businesses. Training can also be customized to fit specific training needs. Classes are conducted at ACCD's Southwest Campus, or at a business site, if needed. Listed below are various examples of education and workforce development programs provided through ACCD:

- ❑ **Alamo Area Aerospace Academy (AAAA)** - Opened its doors to a charter class of 120 students on August 27, 2001. The Aerospace Academy allows high school students from San Antonio and surrounding areas to earn dual college credit hours, FAA certification credits, and gain hands-on technical experience while concurrently pursuing their high school diploma. In addition, students gain "real-world" work experience through an industry employer-sponsored, salaried internship conducted during the summer between their junior and senior year. Upon graduation from high school, Academy graduates may pursue a career in the aerospace industry, fulfill the remainder of their FAA certification, or pursue a college degree.
- ❑ **Information Technology & Security Academy (ITSA)** - In order to provide skilled workers for San Antonio's growing information technology and security sector, the Information Technology & Security Academy was established in 2002 with more than 90 high school students. Patterned after the AAAA, funding to grow and sustain a quality workforce for the information technology and security industry is provided by ACCD, the City of San Antonio, and participating school districts. Internships for eligible students are provided by the local information technology security industry.
- ❑ **Manufacturing Technology Academy (MTA)**- A Manufacturing Technology Academy will open in the Fall of 2004 to provide advanced manufacturing process training for local manufacturers. The Academy will provide training for current employees, potential employees, and high school students and is the result of a

INDUSTRY WORKFORCE ASSISTANCE CONT'D.

collaborative effort involving Alamo Community College District (ACCD), the San Antonio Manufacturers Association, Alamo Workforce Development, the City of San Antonio, and local school districts.

- ❑ **Advanced Technology Center (ATC)** - Opened in 2003, the purpose of the Advanced Technology Center is to provide a world-class advanced technology training environment in San Antonio with the capacity to support local economic development and to train new and existing high technology workers for targeted industries. The Center, located at KellyUSA, connects the training resources of the four colleges of the ACCD system and partnering school districts to provide customized training in new and emerging technologies including aerospace, avionics, automated manufacturing, computer information security, and e-commerce. ACCD received over \$3 million in funding from the City to establish the Center.

To learn more about this innovative approach to workforce training and the specific programs available at ACCD, please contact Dr. Federico Zaragoza, VP of Administration for ACCD-Southwest Campus, at (210) 921-4615, or address e-mail inquiries to fzaragos@accd.edu. For information about the Alamo Area Aerospace Academy, or the Information Technology & Security Academy, please call (210) 932-5750. For information regarding training programs for dislocated workers, log on to the Texas Workforce Commission's web site at www.texasworkforce.org.

The **University of Texas at San Antonio (UTSA)** also conducts a variety of vocational training programs. Research indicates that "availability of skilled labor" was the most important factor in site location, even more important than labor costs. Therefore, in order to fill this need, UTSA instituted the following programs:

- ❑ **UTSA/KellyUSA Material Sciences and Engineering Sustainment Laboratory (MSESL)** - Through the joint efforts of the University of Texas at San Antonio (UTSA) and KellyUSA, a Materials Science and Engineering Sustainment Laboratory (SESL) is being established through renovation of an existing KellyUSA building. The lab will serve as the core of KellyUSA's Center of Excellence for transportation maintenance, repair, and overhaul (MRO). The lab will integrate engineering, science, and business expertise to provide world-class educational programs to develop pathways for students to participate in rewarding careers in the engineering and transportation industry. The KSESL will partner with the Texas Material Institute, the Texas Engineering Experimental station, the KellyUSA tenants, and San Antonio technology based companies, to establish industry standards for Transportation MRO. The KSESL will support a variety of homeland security, transportation, and automotive industry applications. To learn more about this program, please contact Dr. Emilio Mendoza, or Dr. William Flannery at the following e-mail addresses: emendoza@utsa.edu and wflannery@utsa.edu, respectively.
- ❑ **Center of Excellence in Bio-Technology and Bio-Processing** - The University of Texas at San Antonio (UTSA), with funding from Congress, has established a Center of Excellence in Bio-Technology and Bio-Processing Education and Research at Brooks City-Base, a collaborative research and training opportunity contributing to our nation's homeland security needs. Both military and civilian personnel will learn to handle vaccines, biosensors and other biological products. This facility will conduct research that can be used after a bio-terrorism attack and meet natural disease outbreaks such as influenza and tetanus. Air Force personnel and civilians will be trained by UTSA and the Air Force to work in similar biomedical facilities around the world.

How to Apply:

To learn more about these customized programs, please contact Dr. William Scouten at the following e-mail address: wscouten@utsa.edu.

CITY OF SAN ANTONIO BUSINESS DEVELOPMENT PROGRAMS



INDUSTRY WORKFORCE ASSISTANCE CONT'D.

Customized Workforce Training

Through an Agreement established with the Alamo Community College District (ACCD) in March 2001, the Economic Development Department offers customized training assistance through ACCD as an incentive to businesses seeking to relocate, retain, or expand their operations within San Antonio.

Program Eligibility Criteria:

Grant assistance will be based on investment and job creation.

Program Benefits:

- ❑ Training may be customized to fit the specific needs of a company or its employees.
- ❑ Training may be conducted at any of ACCD's campus locations, or on-site at the workplace.
- ❑ ACCD's Advanced Technology Center at KellyUSA is also well-suited to meet the training needs of employers.
- ❑ Customized training assists in the development of skilled personnel to meet the ever-changing workforce needs of businesses.
- ❑ Customized training assists in the development of personnel job skills to enrich the work experience and educational attainment of current and future employees.

Workforce Development Initiatives:

- ❑ **Alamo Workforce Development:**
Alamo Workforce Development (AWD) serves as the leadership and governing board for the regional workforce development system. The mission of AWD is to ensure that the workforce system and human development services it provides makes the region's employers and residents more competitive in the global economy. Its responsibilities include strategic planning, investment of state/federal workforce development funds, and program evaluation. AWD has established a network of one-stop career centers throughout the 12-county Alamo area, and has undertaken a series of labor market studies to address the future employment needs of targeted industries.
- ❑ **Project Quest:**
Originated by COPS/METRO Alliance, this nationally recognized public/private model training program provides participants with high-skill educational training required for long-term employment and living wage incomes. The program identifies demand employment occupations in a specific industry and provides customized training to participants to meet industry needs.

How to Apply:

For additional information on customized training incentives offered through the Economic Development Department, contact Dianne Quaglia at 207-4014, or address e-mail inquiries to dquaglia@sanantonio.gov. For more information on the various training programs offered by the Alamo Community College District, visit the ACCD web site at www.accd.edu; Alamo Workforce Development, visit www.alamoworkforce.org, or Project Quest, visit www.questsa.com.